
IMPORTANT

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Shun Tak Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or the transferee.

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SHUN TAK HOLDINGS LIMITED

信德集團有限公司

(Incorporated in Hong Kong with limited liability under the Companies Ordinance)

(Stock Code: 242)

Website: <http://www.shuntakgroup.com>

PROPOSALS FOR

- (1) GENERAL MANDATES TO
REPURCHASE SHARES AND TO ISSUE SHARES
AND
(2) RE-ELECTION OF DIRECTORS**
-

LETTER FROM THE CHAIRMAN


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Website: <http://www.shuntakgroup.com>

Directors:

Dr. Stanley Ho (*Group Executive Chairman*)
Sir Roger Lobo**
Mr. Norman Ho**
Mr. Charles Ho**
Mr. Yeh V-Nee**
Dato' Dr. Cheng Yu Tung*
Mrs. Mok Ho Yuen Wing, Louise*
Ms. Pansy Ho (*Managing Director*)
Ms. Daisy Ho (*Deputy Managing Director*)
Dr. Ambrose So
Mr. Patrick Huen
Mr. Anthony Chan
Ms. Maisy Ho
Mr. Shum Hong Kuen, David

Registered Office:

Penthouse 39th Floor,
West Tower, Shun Tak Centre,
200 Connaught Road Central,
Hong Kong.

* Non-Executive Directors

** Independent Non-Executive Directors

28 April, 2008

To the shareholders,

Dear Sir or Madam,

PROPOSALS FOR

**(1) GENERAL MANDATES TO
REPURCHASE SHARES AND TO ISSUE SHARES
AND
(2) RE-ELECTION OF DIRECTORS**

INTRODUCTION

(i) General Mandates

Pursuant to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and the Hong Kong Companies Ordinance (Cap. 32) (the "Companies Ordinance"), listed companies incorporated in Hong Kong may in certain circumstances, if authorized by their articles of association to issue new shares and repurchase their own shares.

LETTER FROM THE CHAIRMAN

On 14 June 2007, general mandates were given by the Company to the directors of the Company (the “Directors”) to exercise the powers of the Company to repurchase shares of HK\$0.25 each of the Company (“Shares”) and to issue new Shares. Under the Companies Ordinance and the Listing Rules, these general mandates will lapse at the conclusion of the forthcoming annual general meeting of the Company. Ordinary resolutions will therefore be proposed at the forthcoming annual general meeting of the Company to be held on 19 June, 2008 (the “Annual General Meeting”) to renew these general mandates.

The purpose of this circular (the “Circular”) is to, inter alia, provide you with information regarding the proposed general mandates to repurchase Shares and to issue new Shares.

(ii) **Re-election of Directors**

In accordance with Articles 77 and 79 of the Company’s Articles of Association (the “Articles”), the Directors retiring by rotation at the Annual General Meeting are Dr. Ho Hung Sun, Stanley, Ms. Ho Chiu King, Pansy, Mr. Chan Wai Lun, Anthony and Mr. Ho Hau Chong, Norman who, being eligible, offer themselves for re-election (the “Re-election”).

The purpose of the Circular is to, inter alia, provide you with information regarding the proposed Re-election.

GENERAL MANDATE TO REPURCHASE SHARES

At the Annual General Meeting, the ordinary resolution set out in item 5 of the notice of the Annual General Meeting will be proposed which, if passed, will give the Directors a general and unconditional mandate to exercise the powers of the Company to repurchase Shares up to a maximum of 10 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date the resolution is passed (the “Repurchase Mandate”). The Repurchase Mandate shall have effect from the date of passing of the resolution at the Annual General Meeting until the next annual general meeting of the Company, or such earlier period as revoked or varied by ordinary resolution of the shareholders in general meeting.

An explanatory statement as required under the Listing Rules to provide the requisite information regarding the Repurchase Mandate, is set out in Appendix 1 to the Circular.

GENERAL MANDATE TO ISSUE SHARES

At the Annual General Meeting, the ordinary resolution set out in item 6 of the notice of the Annual General Meeting will be proposed which, if passed, will give the Directors a general mandate to issue new Shares representing up to (i) 20 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date the resolution is passed, which will be equivalent to a maximum of 468,692,260 Shares, assuming there is no further change to the total issued share capital of the Company from the latest practicable date (as defined below) up to the date of the Annual General Meeting other than the cancellation of 418,000 Shares repurchased by the Company on 16 April 2008, plus (ii) the nominal amount of the share capital of the Company repurchased by the Company subsequent to the passing of such resolution (the “Issue Mandate”).

LETTER FROM THE CHAIRMAN

RE-ELECTION OF DIRECTORS

At the Annual General Meeting, the ordinary resolution set out in item 3 of the notice of the Annual General Meeting will be proposed which, if passed, will re-elect Dr. Ho Hung Sun, Stanley, Ms. Ho Chiu King, Pansy, Mr. Chan Wai Lun, Anthony and Mr. Ho Hau Chong, Norman as Directors. Details of the above Directors required to be disclosed by the Listing Rules are set out in Appendix 2 to the Circular.

ANNUAL GENERAL MEETING

The notice of the Annual General Meeting, which contains, inter alia, proposed ordinary resolutions to approve the Repurchase Mandate, the Issue Mandate and the Re-election, is set out in the annual report 2007 of the Company accompanying the Circular.

There is enclosed a form of proxy for use at the Annual General Meeting. You are requested to complete the form of proxy and return it to the registered office of the Company in accordance with the instructions printed thereon not less than 48 hours before the time fixed for holding the meeting, whether or not you intend to be present at the meeting. The completion and return of the form of proxy will not prevent you from attending and voting in person at the Annual General Meeting should you wish to do so.

RECOMMENDATION

The Directors consider that the grant of the Repurchase Mandate and the Issue Mandate and the Re-election of Directors are in the interests of the Company and its shareholders as a whole and accordingly recommend shareholders at the Annual General Meeting to vote in favor of (i) the ordinary resolutions to be proposed to approve the Repurchase Mandate and the Issue Mandate respectively; and (ii) the ordinary resolution to be proposed to approve the Re-election.

PROCEDURES TO DEMAND POLL

The procedure by which shareholders may demand a poll at the Annual General Meeting is set out in Appendix 3 to the Circular.

RESPONSIBILITY STATEMENT

The Circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in the Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

Yours faithfully,
Stanley Ho
Group Executive Chairman

This appendix serves as an explanatory statement, as required by the Listing Rules, to provide requisite information to you for your consideration of the Repurchase Mandate and also constitutes the memorandum as required under Section 49BA(3) of the Companies Ordinance.

1. SHARE CAPITAL

As at 21 April, 2008, being the latest practicable date for ascertaining certain information in the Circular (the “Latest Practicable Date”), the issued share capital of the Company comprised 2,343,879,300 Shares. Subject to the passing of the ordinary resolution, and on the basis that the 418,000 Shares repurchased by the Company on 16 April 2008 will be cancelled after the Latest Practicable Date but before the Annual General Meeting and that no further Shares will be issued or repurchased and cancelled prior to the Annual General Meeting, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 234,346,130 Shares (representing 10 per cent. of the issued Shares of the Company as at the date of the Annual General Meeting).

2. REASONS FOR REPURCHASES

The Directors believe that the flexibility afforded by the Repurchase Mandate would be beneficial to the Company and its shareholders. Trading conditions on the Stock Exchange have sometimes been volatile in recent years and if there are occasions in future when depressed market conditions arise, repurchases of Shares may support the share price and lead to an enhancement of the net asset value of the Company and/or its earnings per Share. It would then be beneficial to those shareholders who retain their investment in the Company since their percentage interest in the assets of the Company would increase in proportion to the number of Shares repurchased by the Company.

3. FUNDING OF REPURCHASES

Repurchases would be funded entirely from the Company’s available cashflow or working capital facilities which will be funds legally available for that purpose and in accordance with the Companies Ordinance and the Memorandum and Articles of the Company.

The Companies Ordinance provides that the amount of capital repaid in connection with a share repurchase may only be paid from the distributable profits of the company or from the proceeds of a new issue of shares made for that purpose. The Companies Ordinance further provides that the amount of premium payable on repurchase may only be paid out of the distributable profits of the company. Where the repurchased shares were issued at a premium, any premium payable on repurchase may be paid out of the proceeds of a fresh issue of shares made for the purposes of the share repurchase up to certain limits specified by the Companies Ordinance.

There may be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the annual report for the year ended 31 December 2007) in the event that the Repurchase Mandate were to be exercised in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would in the circumstances have a material adverse effect on the working capital requirements or gearing position of the Company as may be determined by the Directors from time to time to be appropriate for the Company.

4. SHARE PRICES

The highest and lowest prices at which the Shares were traded on the Stock Exchange during each of the twelve months preceding the Latest Practicable Date were as follows:

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2007		
April	12.20	10.50
May	11.36	9.71
June	11.80	10.62
July	13.30	11.10
August	12.24	9.59
September	13.30	11.28
October	13.66	11.44
November	12.28	10.10
December	12.34	11.20
2008		
January	13.40	10.50
February	11.68	10.18
March	11.40	8.38
April (up to and including the Latest Practicable Date)	11.00	9.63

5. GENERAL

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchases pursuant to the Repurchase Mandate in accordance with the Listing Rules and the Companies Ordinance.

If as a result of a share repurchase a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Hong Kong Code on Takeovers and Mergers (the "Takeover Code"). Accordingly, a shareholder or a group of shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeover Code.

The Directors are not aware of any consequences, which may arise under the Takeover Code as a result of any repurchases, which may be made under the Repurchase Mandate. As at the Latest Practicable Date, Shun Tak Shipping Company, Limited, Sociedade de Turismo e Diversoes de Macau, S.A. (“STDM”) and Dr. Stanley Ho (and his associates) were together beneficially interested in approximately 52.39 per cent. of the issued share capital of the Company. Based on these shareholdings, and in the event that the Directors were to exercise in full the power to repurchase Shares under the Repurchase Mandate, the combined shareholdings of Shun Tak Shipping Company, Limited, STDM and Dr. Stanley Ho (and his associates) would increase to approximately 58.21 per cent. of the issued share capital of the Company.

The Directors have no present intention to exercise the Repurchase Mandate to such an extent that such exercise would result in takeover obligations under the Takeover Code.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, their associates, has any present intention to sell any Shares to the Company under the Repurchase Mandate if such Repurchase Mandate is approved by the shareholders.

No other connected persons (as defined in the Listing Rules) have notified the Company that they have a present intention to sell any Shares to the Company, or have undertaken not to do so, in the event that the Repurchase Mandate is approved by the shareholders.

6. SHARE PURCHASE MADE BY THE COMPANY

The Company will not purchase its Shares if less than 25 per cent. of its issued share capital is held by the public. The Company had repurchased a total of 718,000 Shares on the Stock Exchange during the six months immediately preceding the Latest Practicable Date and details of which are as follows:

Date of Repurchases	Number of Shares Repurchased	Price per Share	
		Highest HK\$	Lowest HK\$
1 February 2008	300,000	10.50	10.38
16 April 2008	<u>418,000</u>	9.90	9.73
Total	<u><u>718,000</u></u>		

The following are the particulars of the four Directors proposed to be re-elected at the Annual General Meeting as referred to in Rule 13.51(2) of the Listing Rules:

Dr. Ho Hung Sun, Stanley, aged 86, was the Group's founder and executive chairman. Dr. Ho has been a director of the Company since its incorporation in 1972. He is also a director of a number of the Company's subsidiaries.

Dr. Ho is a director of Shun Tak Shipping Company, Limited, Innowell Investments Limited, Alpha Davis Investments Limited, substantial shareholders of the Company, and the chairman of the publicly-listed Value Convergence Holdings Limited. Dr. Ho was the chairman of the publicly-listed Melco International Development Limited up to 15 March 2006.

Dr. Ho is currently the president of The Real Estate Developers Association of Hong Kong. He is also honorary lifetime chairman of The University of Hong Kong Foundation for Educational Development and Research, a member of the Court of The Hong Kong Polytechnic University, as well as a founding honorary life chairman and a director of the PolyU Development Foundation. In addition, Dr. Ho is a vice patron of the Community Chest of Hong Kong, a trustee of The Better Hong Kong Foundation, and a patron of the Society of the Academy for Performing Arts.

Dr. Ho was awarded the Gold Bauhinia Star by the Hong Kong Special Administrative Region Government in 2003.

In Macau, Dr. Ho is the managing director of both Sociedade de Turismo e Diversões de Macau, S.A. (a substantial shareholder of the Company) and Sociedade de Jogos de Macau, S.A., a vice-chairman of the board of directors of Macau International Airport Company Limited, co-chairman of the advisory of committee of Seng Heng Bank Limited, the chairman of the Board of Directors of Macau Horse Racing Company, Limited, a member of the Economic Development Council of the Macau Special Administrative Region Government and a trustee of Macau Foundation.

Save as disclosed above, he has not held any directorship in other listed public companies in the past three years preceding the Latest Practicable Date.

Dr. Ho was awarded the Grand Lotus Medal of Honour and the Gold Lotus Medal of Honour by the Macau Special Administrative Region Government in 2007 and 2001 respectively.

Dr. Ho is a Standing Committee member of the 11th National Committee of the Chinese People's Political Consultative Conference.

Dr. Ho is the father of Ms. Pansy Ho, the managing director of the Company, Ms. Daisy Ho, the deputy managing director of the Company and Ms. Maisy Ho, an executive director of the Company. He is also the brother of Mrs. Mok Ho Yuen Wing, Louise, a non-executive director of the Company. Apart from the aforesaid, Dr. Ho has no other relationship with any director, senior management or substantial or controlling shareholder of the Company.

Dr. Ho has personal interests in 250,936,160 shares and 1,587,300 underlying shares and corporate interests in 39,021,590 shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Dr Ho has not entered into any service contract with the Company and there is no designated length of service for his appointment but he is subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Articles.

As an executive director, Dr. Ho is entitled to receive an annual director's fee of HK\$5,000. His term of appointment as a director will be in accordance with the Articles.

Ms. Ho Chiu King, Pansy, aged 45, was appointed an executive director of the Group when she joined in 1995, and was appointed the managing director in 1999 to oversee the Group's overall strategic development and management. She is also the chairman of the Executive Committee of the Board of Directors, the Remuneration Committee and Nomination Committee of the Company; and a director of a number of subsidiaries of the Company.

Ms. Ho is the chief executive officer and a director of Shun Tak - China Travel Shipping Investments Limited and is directly in charge of the Group's shipping business. She is a director of Shun Tak Shipping Company, Limited, Innowell Investments Limited, Megaprosper Investments Limited, Alpha Davis Investments Limited and Sociedade de Turismo e Diversões de Macau, S.A., substantial shareholders of the Company. She is also the chairman of Macau Tower Convention & Entertainment Centre; an executive director of Air Macau Company Limited; a director of Macau Asia Express Ltd; and an independent non-executive director of Sing Tao News Corporation Limited.

Save as disclosed above, she has not held any directorship in other listed public companies in the past three years preceding the Latest Practicable Date.

For community services, Ms. Ho is an advisory council member of The Better Hong Kong Foundation; one of the founding honorary advisors and a board director of The University of Hong Kong Foundation for Educational Development & Research Ltd; a vice chairperson of Hong Kong Federation of Women and a committee member of UNDP - Peace & Development Foundation.

In China, Ms. Ho is a standing committee member of The Chinese People's Political Consultative Conference of Beijing; a standing committee member of All-China Federation of Industry & Commerce, a vice president of the Chamber of Tourism and the Chamber of Women of the Federation; a vice chair-person of China Society for Promotion of the Guangcai Program; and an executive committee member of The 11th Session of Beijing Women's Federation. In Macau, she is a member of Macau SAR Tourism Development Committee.

Ms. Ho holds a Bachelor's degree in marketing and international business management from the University of Santa Clara in the United States.

Ms. Ho is the daughter of Dr. Stanley Ho, the Group executive chairman as well as the sister of Ms. Daisy Ho and Ms. Maisy Ho, who are respectively the deputy managing director and an executive director of the Company. She is also a niece of Mrs. Mok Ho Yuen Wing, Louise, a non-executive director of the Company. Apart from the aforesaid, Ms. Ho has no other relationship with any director, senior management or substantial or controlling shareholder of the Company.

Ms. Ho has personal interests in 25,587,604 shares and 20,157,740 underlying shares and corporate interests in 191,931,661 shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Ms. Ho has not entered into any service contract with the Company and there is no designated length of service for her appointment but she is subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Articles.

As an executive director, Ms. Ho is entitled to receive an annual director's fee of HK\$5,000. Her term of appointment as a director will be in accordance with the Articles.

Mr. Chan Wai Lun, Anthony, aged 61, joined the Group in 1987 and has been an executive director of the Company since 1991. He is also a director of a number of the Company's subsidiaries.

Mr. Chan is a director of The Real Estate Developers Association of Hong Kong; President of the Hong Kong Association for the Advancement of Real Estate and Construction Technology; and a fellow member of both the Property Consultant Society UK and the Hong Kong Institute of Real Estate Administration. He is responsible for the Group's property development in mainland China.

Save as disclosed above, he has not held any directorship in other listed public companies in the past three years preceding the Latest Practicable Date.

Mr. Chan has been appointed as a committee member of The Chinese People's Political Consultative Conference, Guangdong Province since 2002.

Mr. Chan has no other relationship with any director, senior management or substantial or controlling shareholder of the Company.

Mr. Chan has personal interests in 10,310,120 shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Mr. Chan has not entered into any service contract with the Company and there is no designated length of service for his appointment but he is subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Articles.

As an executive director, Mr. Chan is entitled to receive an annual director's fee of HK\$5,000. His term of appointment as a director will be in accordance with the Articles.

Mr. Ho Hau Chong, Norman, aged 52, was appointed an independent non-executive director of the Company since 2004. He is also the Chairman of the Audit Committee and a member of the Remuneration Committee and Nomination Committee of the Company. Apart from the aforesaid, Mr. Ho does not hold any other position in the Company or any subsidiary of the Company.

Mr. Ho is an executive director of Honorway Investments Limited and Tak Hung (Holding) Company Limited and has over 20 years of experience in management and property development. He is also a director of CITIC Pacific Limited, Hong Kong Ferry (Holdings) Company Limited, Lee Hing Development Limited, Miramar Hotel and Investment Company, Limited, Starlight International Holdings Limited, Taifook Securities Group Limited and New World Mobile Holdings Limited. He is a member of the Institute of Chartered Accountants in England and Wales, and a Fellow of the Hong Kong Institute of Certified Public Accountants.

Save as disclosed above, he has not held any directorship in other listed public companies in the past three years preceding the Latest Practicable Date.

Mr. Ho has no relationship with any director, senior management or substantial or controlling shareholder of the Company.

Mr. Ho does not have any interests in the Company's shares within the meaning of Part XV of the Securities and Futures Ordinance.

There is a service contract dated 14 June 2005 between the Company and Mr. Ho for a term of three years and may be renewed for a further term of three years unless terminated by either party giving to the other not less than one month's notice in writing.

As an independent non-executive director, Mr. Ho is entitled to receive an annual director's fee of HK\$200,000. As members of the Audit Committee and Remuneration Committee, he shall receive an additional annual allowance of HK\$100,000. His term of appointment as a director will be in accordance with the Articles.

In relation to the re-election of the above Directors, there is no other information required to be disclosed pursuant to any of the requirements of Rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there is no other matter which needs to be brought to the attention of the holders of shareholders of the Company.

The following are the procedures by which shareholders may demand a poll pursuant to Article 56 of the Company's Articles of Association:

At any general meeting, a resolution put to the vote of the meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is duly demanded. Subject to the Companies Ordinance, a poll may be demanded by:

- (a) the chairman of the meeting; or
- (b) at least three members present in person or by proxy and entitled to vote; or
- (c) any member or members present in person or by proxy and representing in the aggregate not less than one-tenth of the total voting rights of all members having the right to attend and vote at the meeting; or
- (d) any member or members present in person or by proxy and holding shares conferring a right to attend and vote at the meeting on which there have been paid up sums in the aggregate equal to not less than one-tenth of the total sum paid up on all shares conferring that right.

Unless a poll is so demanded and the demand is not withdrawn, a declaration by the chairman that on a show of hands a resolution has been carried or carried unanimously or by a particular majority or not carried by a particular majority or lost shall be final and conclusive, and an entry to that effect in the minutes of the meeting shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded for or against such resolution.